



FISCAL YEAR 2020-21 RECOMMENDED BUDGET

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Guilford County

May 21, 2020

LOCAL, STATE, AND NATIONAL ECONOMIC STATISTICS

Unemployment

- Guilford County – 4.4% (March)
- North Carolina – 4.4% (March)
- National – 4.4% (March)

Residential & commercial building permits

- ↓ FY 2020 thru April down 5% over the same period in FY 2019

Single family home sales

- 3-bedroom, 2 bath average median sale price from January to April 2020 is \$19,100 higher than the same period in 2019

Retail sales

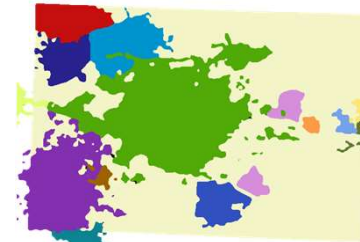
- ↑ Fiscal year-to-date sales increased 3.9% (through March)

Population growth

- ↑ Increase of 10.7% from 2010-2018 (July estimate)
 - Total number of residents
 - 2019 – 537,174 (US Census, July)
 - 2010 – 488,406 (US Census, April 1)

Regular gasoline prices

- ↓ Currently average \$1.75 per gallon, down 33% from a year ago (AAA, Greensboro as of mid-May 2020)



Guilford County
Government is
9 Commissioners &
over 2,600 Staff

Serving 500,000
Citizens

In 4 cities, 9 towns
& rural areas across
793 sq. miles

BOARD FOCUS AREAS



Education

Guilford County partners with local schools to develop a system that produces graduates with high academic achievement and skill levels to compete successfully in the job market.



Healthy People

Guilford County is a healthy community that strengthens coordination of care through partnerships which ensure the availability of quality social, physical, psychological, and behavioral health services.



Public Safety

Guilford County maintains safe and secure communities through strategically coordinated and professional public safety services.

BOARD FOCUS AREAS



Organizational Excellence

Guilford County provides the highest possible level of services by being a fiscally sound organization that values a high performing, professional, and innovative workforce.



Infrastructure

Guilford County provides safe and adequate public facilities that support the service, access, and technological needs of the public while optimizing the utilization of all properties.



Economic Development

Guilford County encourages economic development by working with all stakeholders to create quality jobs, and expand and diversify the local and regional economy.



Recreation & Culture

Guilford County enhances the quality of life in the community by supporting leisure, physical activities, and cultural opportunities.

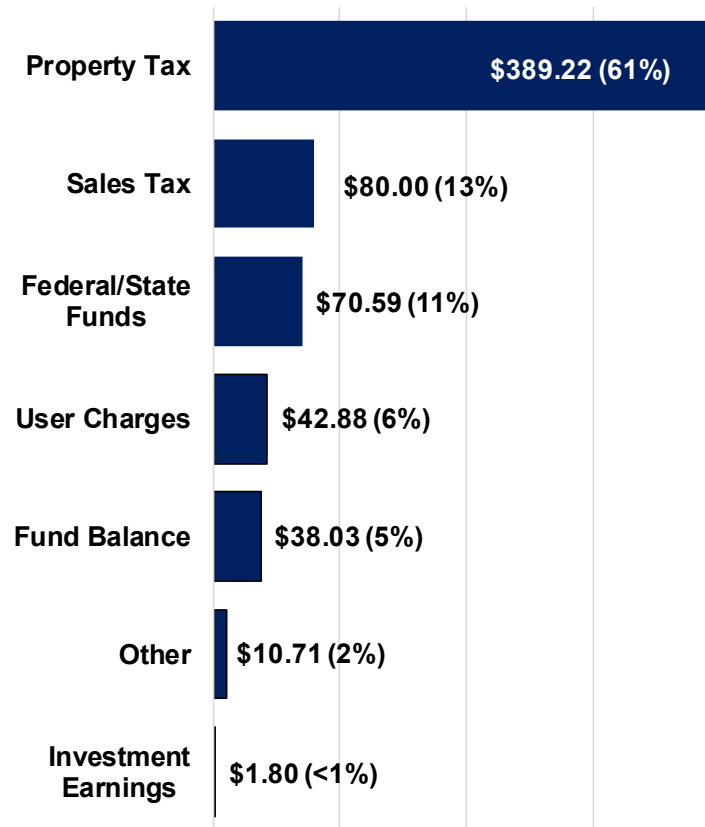
BUDGET SUMMARY: ALL FUNDS

Fund	FY2020 Adopted	FY2021 Recomm	Change	
General	\$ 628,401,050	\$ 633,225,520	\$ 4,824,470	0.8%
County Building Construction	\$ 1,011,000	\$ -	\$ (1,011,000)	-100.0%
Room Occupancy/Tourism	\$ 7,500,000	\$ 7,500,000	\$ -	0.0%
Fire Districts	\$ 20,759,318	\$ 19,909,638	\$ (849,680)	-4.1%
	<u>\$ 657,671,368</u>	<u>\$ 660,635,158</u>	<u>\$ 2,963,790</u>	<u>0.5%</u>
Less Transfers	\$ (1,011,000)	\$ -	\$ 1,011,000	-100.0%
	<u>\$ 656,660,368</u>	<u>\$ 660,635,158</u>	<u>\$ 3,974,790</u>	<u>0.6%</u>
Internal Service Fund Plan				
Risk Management	\$ 3,302,411	\$ 3,696,182	\$ 393,771	11.9%
Health Care	\$ 47,096,065	\$ 51,791,675	\$ 4,695,610	10.0%
	<u>\$ 50,398,476</u>	<u>\$ 55,487,857</u>	<u>\$ 5,089,381</u>	<u>10.1%</u>

BUDGET SUMMARY: ALL FUNDS

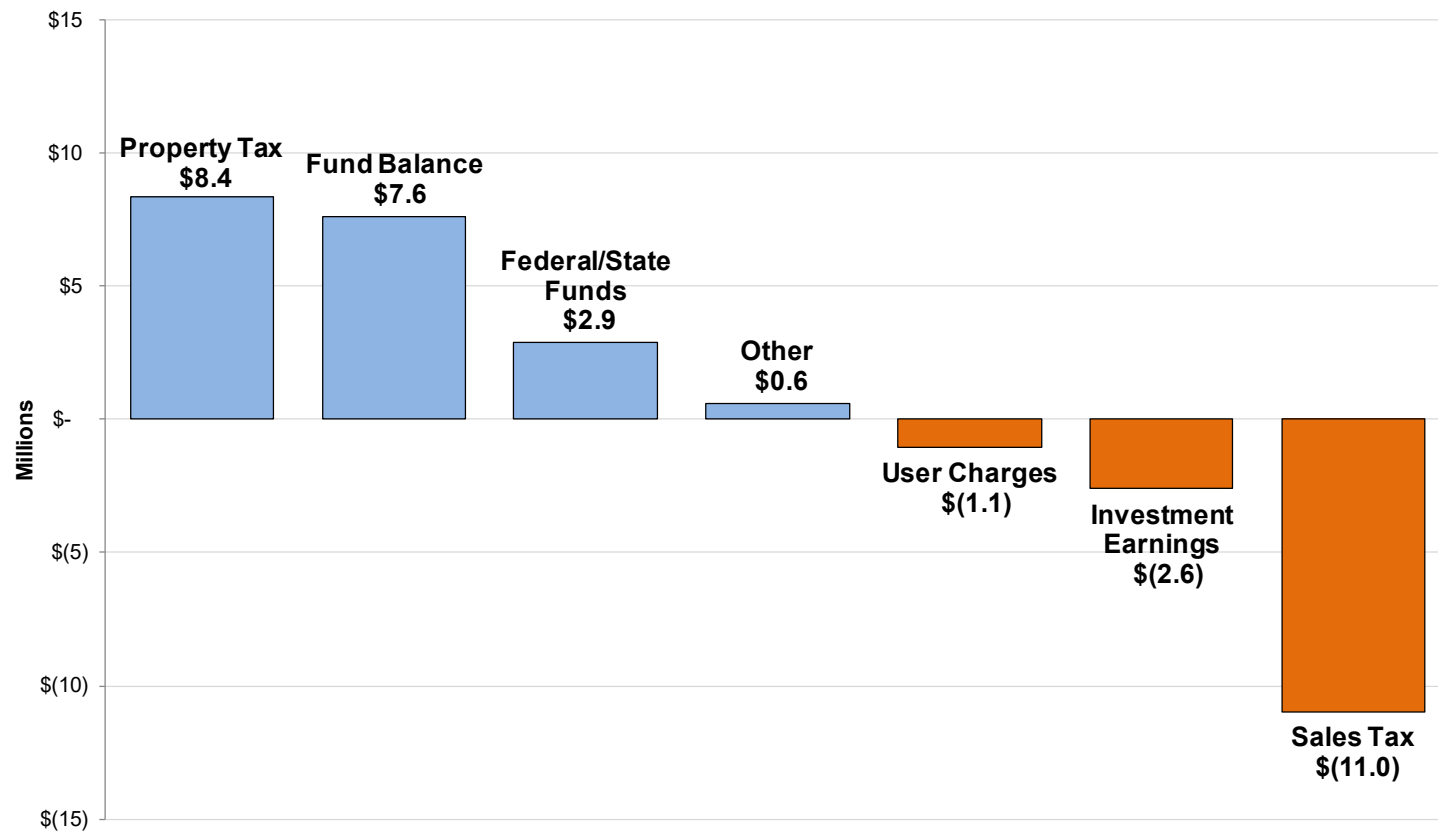
Source of Funds	FY2020 Adopted	FY2021 Pre-COVID	FY2021 Recomm	vs. FY20 Adopted	
Property Tax	\$ 380,850,000	\$ 394,715,000	\$ 389,215,000	\$ 8,365,000	2%
Federal/State Funds	\$ 67,731,883	\$ 70,593,760	\$ 70,593,760	\$ 2,861,877	4%
Sales Tax	\$ 90,975,000	\$ 96,000,000	\$ 80,000,000	\$ (10,975,000)	-12%
User Fees & Charges	\$ 43,933,858	\$ 43,526,217	\$ 42,881,614	\$ (1,052,244)	-2%
Investment Earnings	\$ 4,406,551	\$ 4,406,550	\$ 1,797,550	\$ (2,609,001)	-59%
Other	\$ 10,102,642	\$ 11,736,282	\$ 10,708,182	\$ 605,540	6%
	\$ 597,999,934	\$ 620,977,809	\$ 595,196,106	\$ (2,803,828)	-0.5%
Fund Balance	\$ 30,401,116	\$ 28,852,474	\$ 38,029,414	\$ 7,628,298	25.1%
Total	\$ 628,401,050	\$ 649,830,283	\$ 633,225,520	\$ 4,824,470	0.8%

GENERAL FUND: Revenues Overview



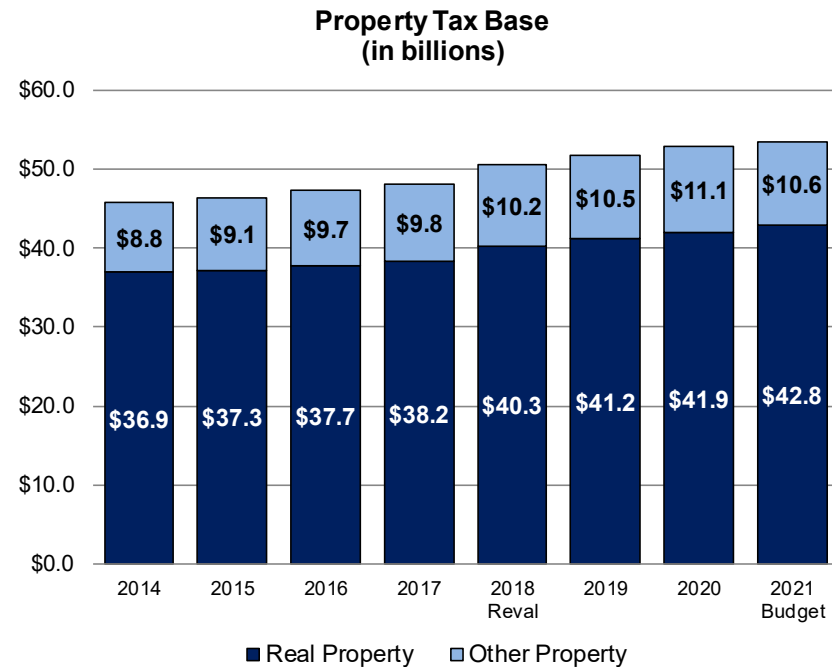
- \$633,225,520 total
- General tax rate remains same at 73.05 cents.
- Largest sources of funds are:
 - Property Tax (61%)
 - Sales Tax (14%)
 - Federal & State (11%)
- Overall fund balance up by \$7.5 million with the amount for general use up by \$13.0 million

GENERAL FUND: Change in Revenues vs. Prior Year

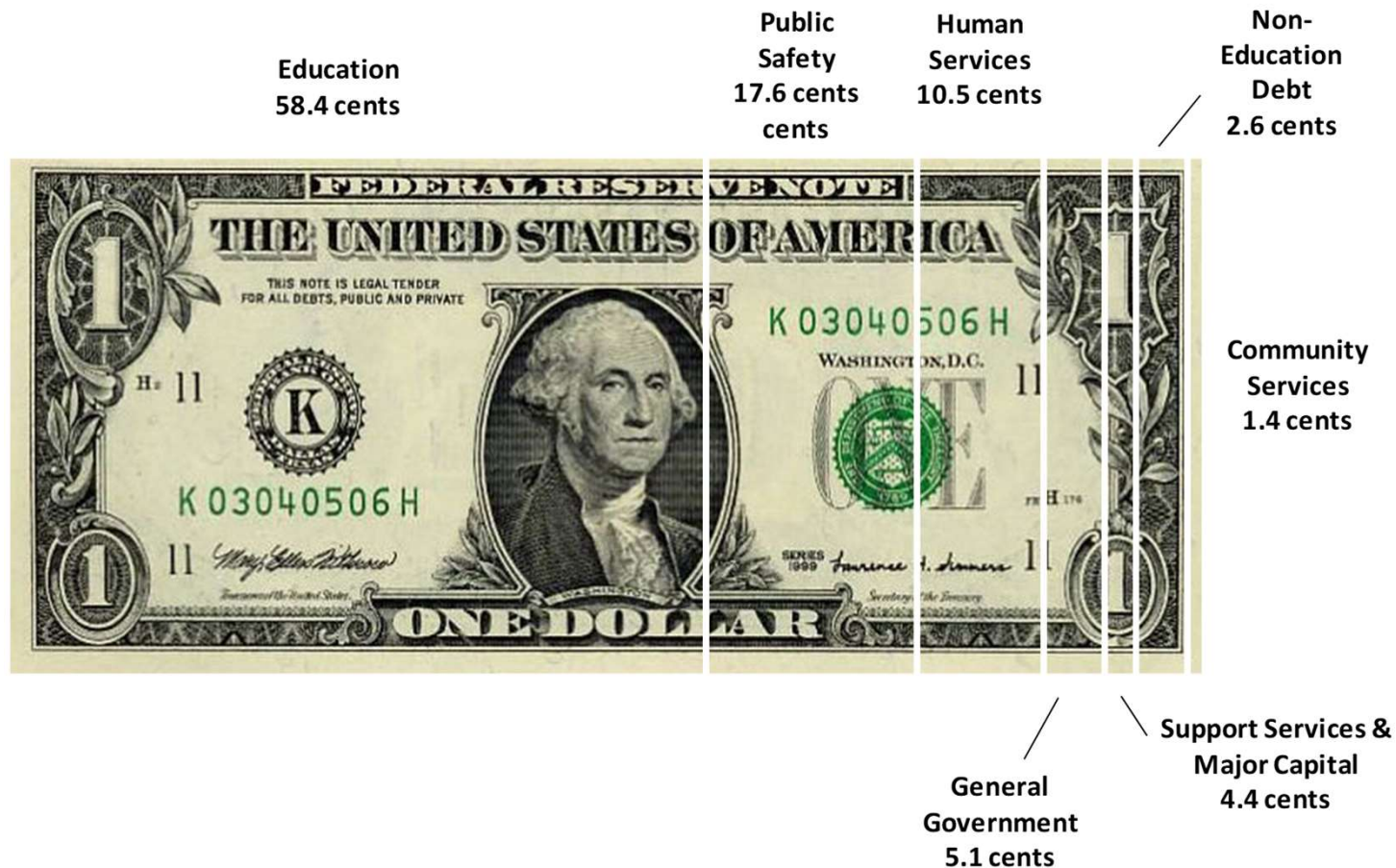


GENERAL FUND: Property Tax

- Tax rate = 73.05 cents, no change
- +1.0% property base growth vs. prior year.
Estimated total = \$53.5 billion.
- Property Tax revenue:
 - Current year = \$355.4 million (+2.2%)
 - Prior year = \$2.52 million (-0.4%)
 - Total = \$379.95 million (+2.2%)
- 1 cent = \$5.3 million of tax revenue
- \$730.50 county tax for each \$100,000 of value

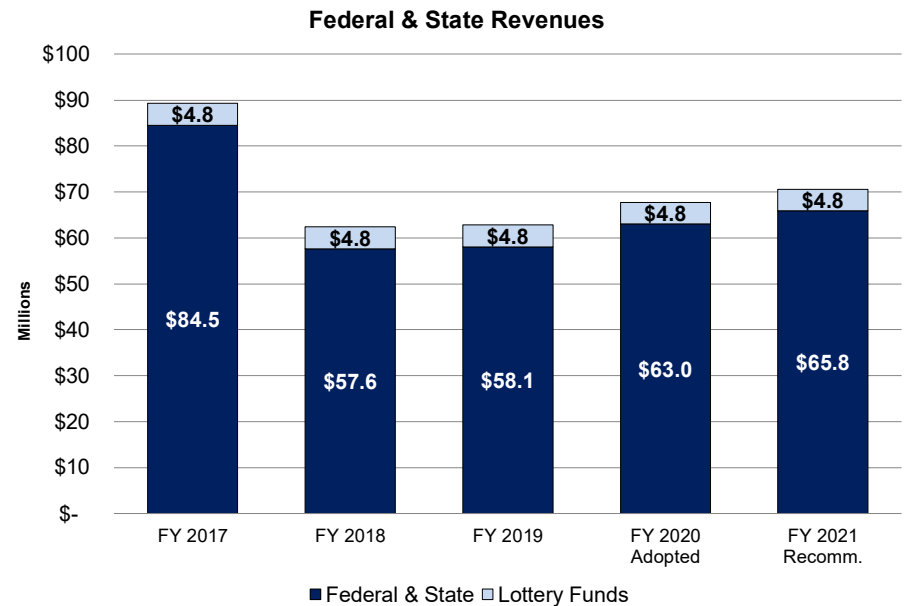


GENERAL FUND: How \$1 of Property Tax Revenue is Used



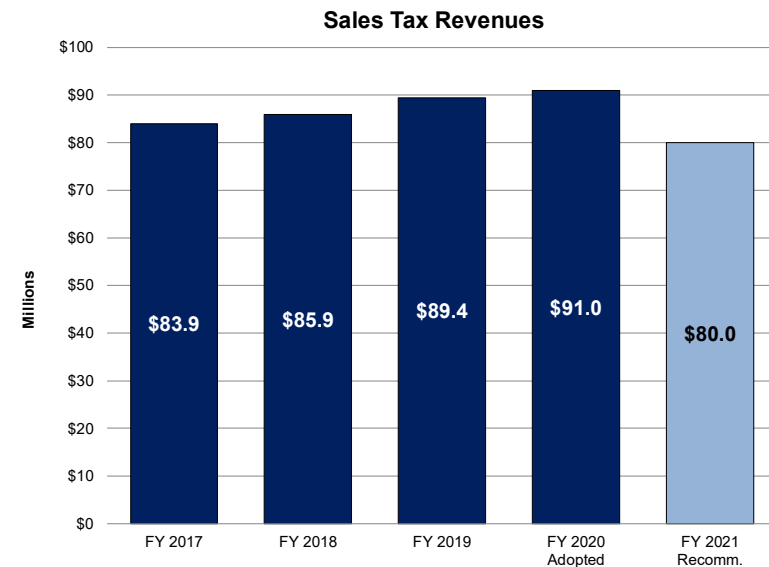
GENERAL FUND: Federal & State Funds

- \$2.8 million overall increase, generally related to increased staffing added in FY 2019-20 and the associated federal reimbursements.
- \$4.8 million in Lottery Funds – used for school debt repayment.



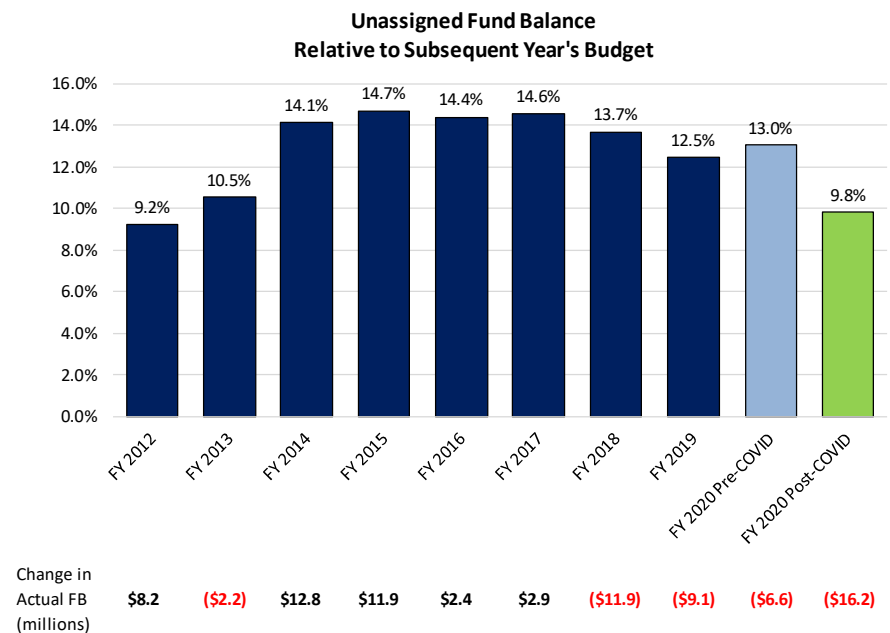
GENERAL FUND: Sales Tax

- \$80.0 million budget – \$11.0 million decrease from prior year
- Taxable sales up 6.6% through March 2020
- Sales Tax revenues also up 5% through April vs FY 2019, but only reflect sales through January
- Non-profit and government refunds are down 13% so far this year



GENERAL FUND: Fund Balance

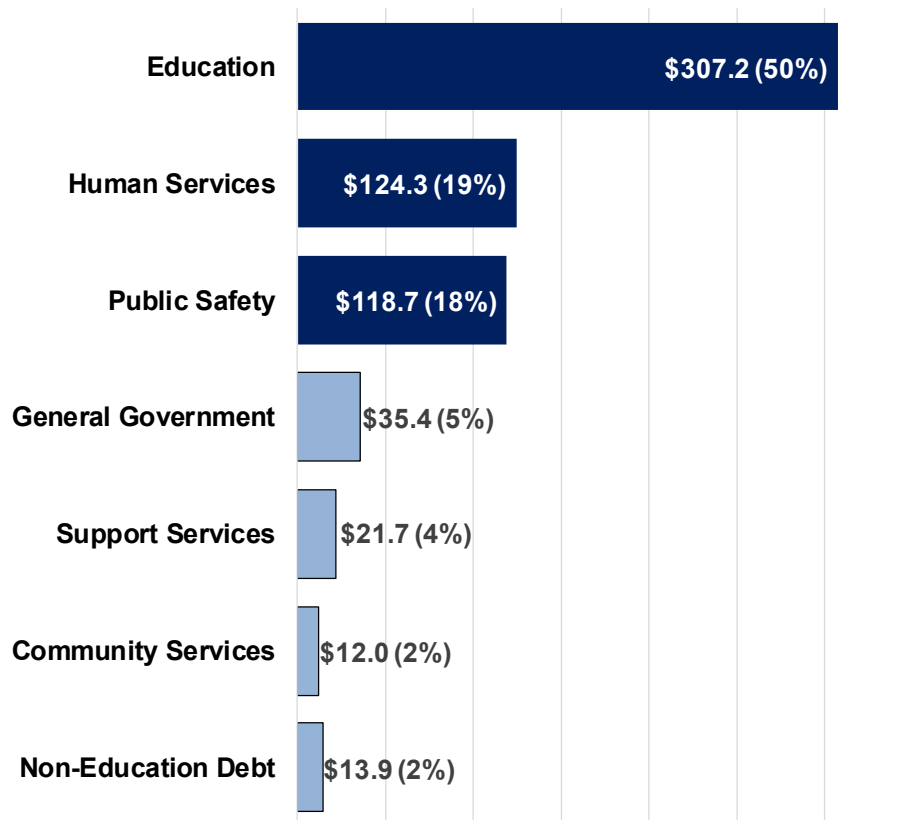
- \$38.0 million of fund balance from all sources, an increase of \$7.5 million
- \$33.5 million of general use fund balance, an increase of \$13 million
- \$2.8 million of fund balance for specific department uses other than debt, an increase of \$473,300
- \$1.65 million of bond premium fund balance for debt repayment, a decrease of \$6 million



GENERAL FUND: Expenditures Overview

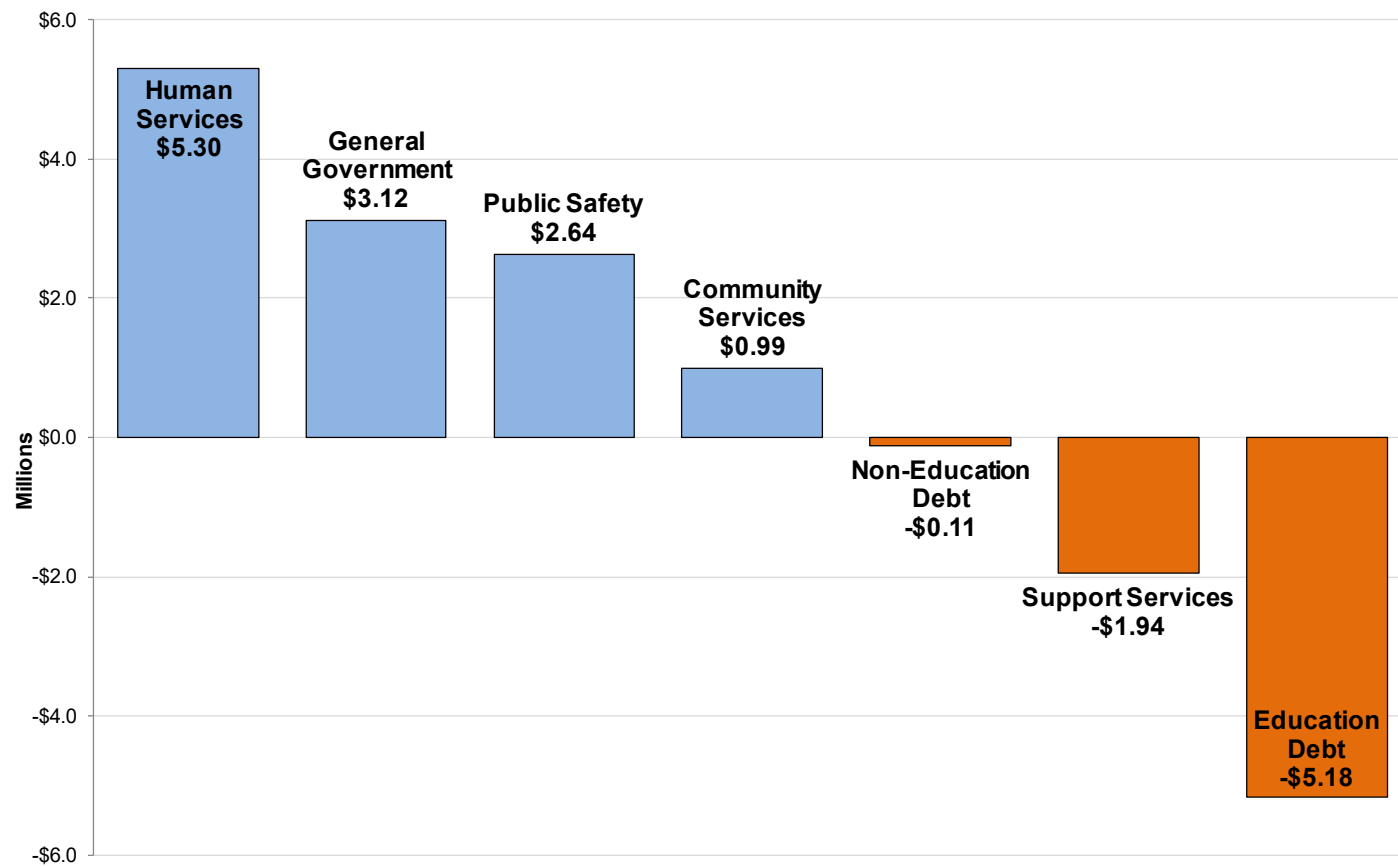
	FY2020 Adopted	FY2021 Recomm	Change	
Type of Expense				
Personnel	\$ 198,424,707	\$ 212,156,425	\$ 13,731,718	6.9%
Operating	\$ 312,919,560	\$ 311,981,171	\$ (938,389)	-0.3%
Debt Repayment	\$ 96,079,655	\$ 90,790,986	\$ (5,288,669)	-5.5%
Human Svc Assistance	\$ 17,127,503	\$ 17,070,335	\$ (57,168)	-0.3%
Capital Outlay	\$ 3,849,625	\$ 1,226,603	\$ (2,623,022)	-68.1%
	\$ 628,401,050	\$ 633,225,520	\$ 4,824,470	0.8%
Service Area				
Education & Education Debt	\$ 312,397,278	\$ 307,221,738	\$ (5,175,540)	-0.01657
Human Services	\$ 118,961,336	\$ 124,261,467	\$ 5,300,131	4.5%
Public Safety	\$ 116,090,088	\$ 118,731,371	\$ 2,641,283	2.3%
Non-Education Debt	\$ 14,059,303	\$ 13,946,174	\$ (113,129)	-0.8%
Support Services	\$ 23,609,566	\$ 21,666,285	\$ (1,943,281)	-8.2%
General Government	\$ 32,288,705	\$ 35,411,595	\$ 3,122,890	9.7%
Communtiy Services	\$ 10,994,774	\$ 11,986,890	\$ 992,116	9.0%
	\$ 628,401,050	\$ 633,225,520	\$ 4,824,470	0.8%

GENERAL FUND: Expenditures Overview



- \$633,225,520 total
- \$4.8 million (+1.8%) increase
- Nearly \$9 of every \$10 spent is used for core County services – Education, Human Services, Public Safety
- Recommended budget includes 8 new positions in General Fund

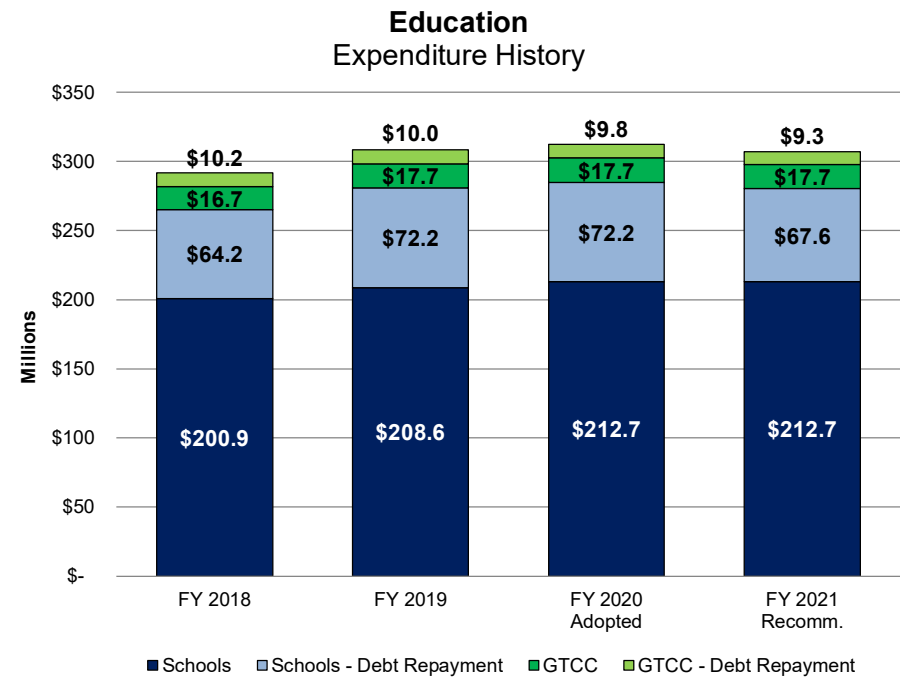
GENERAL FUND: Change in Expenditures vs Prior Year





GENERAL FUND: Education

- \$3.5 million combined increase in operating with decrease in capital allocations
- \$5.2 million decrease for combined GCS and GTCC debt repayment



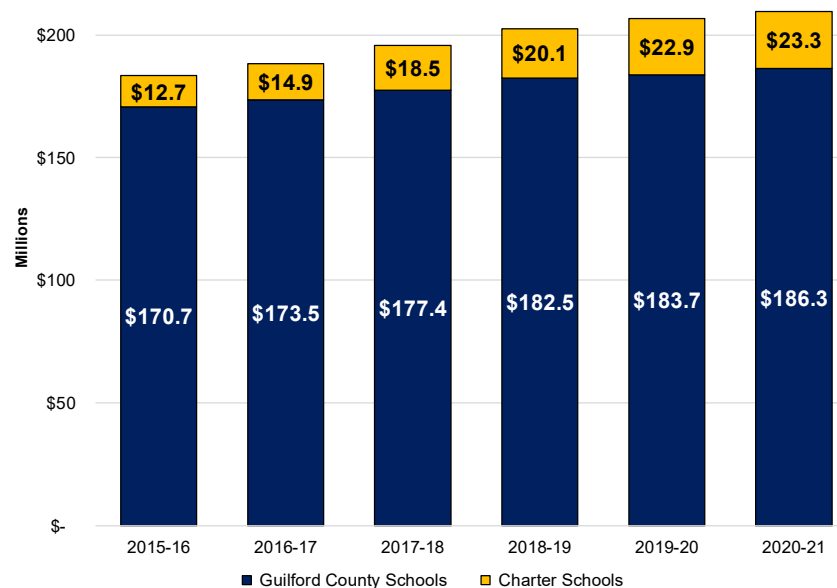


GENERAL FUND: Education – Guilford County Schools

- \$280.2 million in total for GCS including debt
- \$209.6 million operating allocation, +\$3 million increase which increases per pupil funding from \$2,554 to \$2,611.*
- Capital maintenance and repair allocation decreases by \$3 million to \$3.1M
- Estimated FY 2020-21 student ADM is 80,270*
 - GCS: 71,331
 - Charter Schools: 8,939

**Based on FY 2021 ADM from NC DPI; allocation estimated based on budget and may vary depending on actual enrollment*

Estimated Allocation of County Operating Budget for Public Schools





GENERAL FUND: Education – Guilford Tech. Comm. College

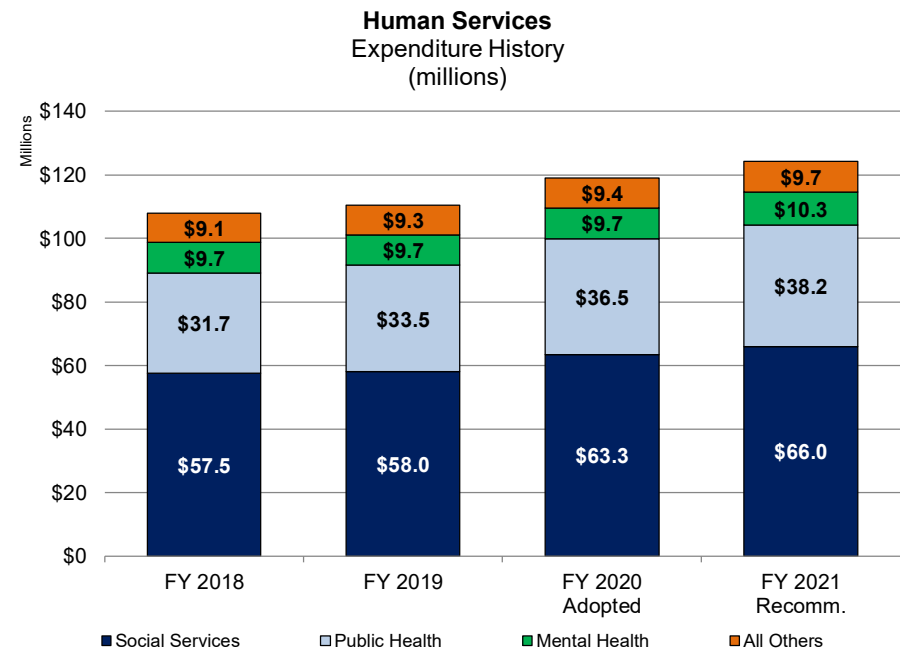
- \$26.9 million in total for GTCC including debt service
- \$17.1 million (+\$450,000) operating allocation to offset personnel costs, utility and insurance increases, and other facility needs
- Capital maintenance and repair allocation of \$550,000, a decrease of \$450,000 from prior year
- Board of Trustees requested a total increase of \$2.05 million.





GENERAL FUND: Healthy People

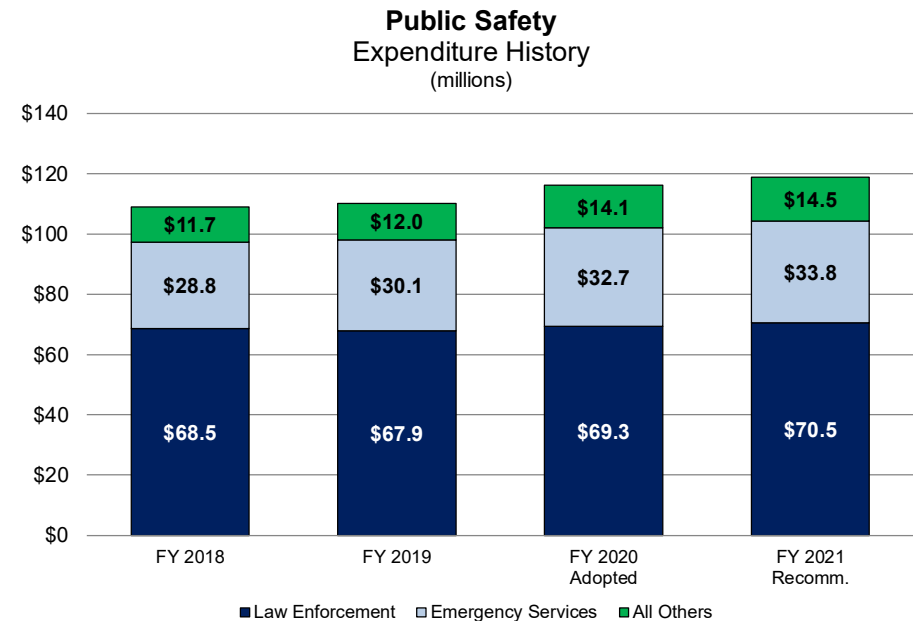
- Overall increase of \$5.3 million, \$2.4 million in county funds
- 7 new positions recommended:
 - Mental Health Center Director plus five deputies for security at new 16-bed behavioral health center
 - Infant Mortality Coordinator to focus on reducing infant mortality among high risk populations
- Full year funding for 24 social services caseworkers and 10 grant-funded public health nurses and support staff (\$1.6 million; net county cost of \$278,000)





GENERAL FUND: Public Safety

- Overall increase of \$2.6 million
- \$526,000 increase in revenues including increase reimbursement rates for juvenile detention and school resource officer reimbursement
- Full year funding for 4 Juvenile Detention positions and 5 Animal Services positions (\$600,000)
- Budget includes \$150,000 for contract security coverage





GENERAL FUND: Public Safety – Emergency Services

- Recommends \$200,000 to continue GC STOP program (\$100,000 from county and \$100,000 from ABC Bottle Tax proceeds)
- Budget includes \$67,000 for utilities, janitorial and other facility operations costs at new EMS Maintenance & Logistics Facility
- Cost for Guilford Metro 911 operations decreases \$240,000
- 1 replacement staff vehicle





GENERAL FUND: Public Safety – Law Enforcement

- Budget includes a \$670,000 increase in medical services for adults in jails and youth at the Juvenile Detention Center
- 5 replacement vehicles for Law Enforcement at total cost of \$250,000





GENERAL FUND: Organizational Excellence & Infrastructure



- Budget postpones Phase 2 of market pay plan adjustments due to revenue impact from COVID; does include 3% merit pool
- 1 new IT Security Manager position recommended for Information Services (\$97,600) to improve information technology infrastructure and data security
- +\$560,000 for upcoming general election costs (county increase of \$730,000 because no municipal elections)
- Budget pauses transfer to capital (-\$1.01 million)



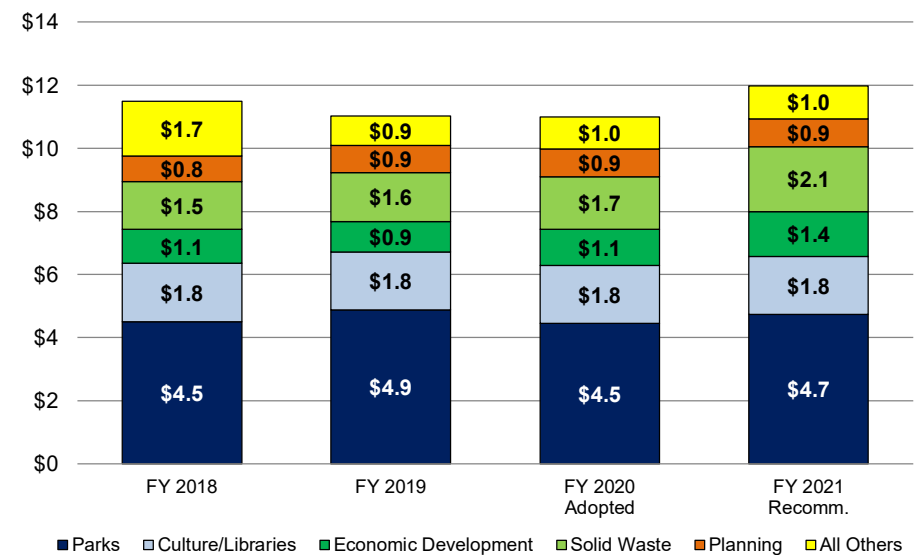


GENERAL FUND: Econ. Development & Recreation & Culture



- Overall \$1.0 million increase
- Budget includes \$275,000 for anticipated economic incentive grant payouts and maintains economic development organization funding at prior year levels
- +\$400,000 for increased cost of scrap tire disposal contract
- No change in library funding

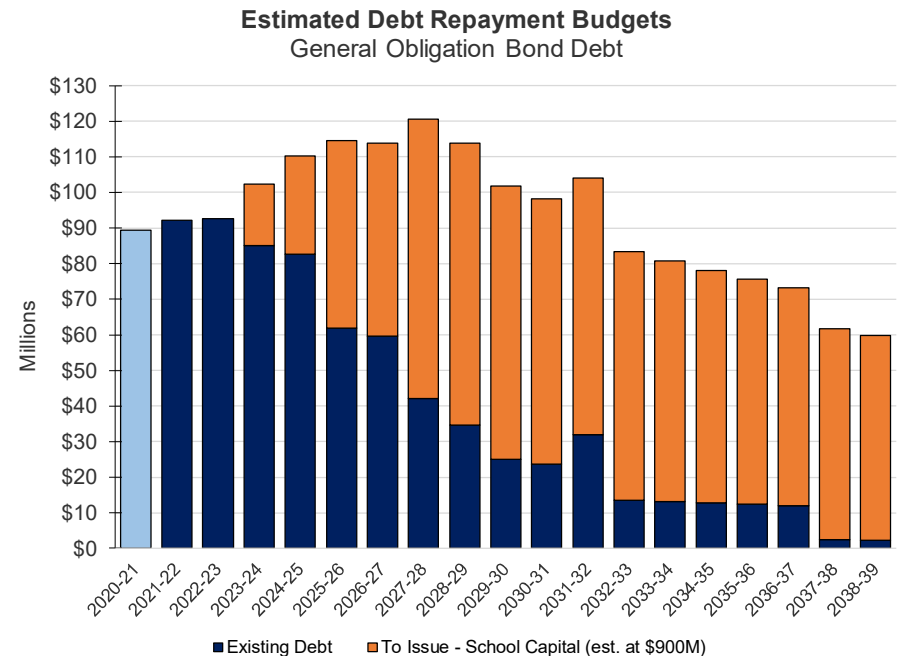
Community Services
Expenditure History
(millions)





GENERAL FUND: Organization Excellence – Debt Service

- Total budget of \$90.8 million, a decrease of -\$5.3 million from last year
- Removes \$2.6 million in debt leveling funds added in FY 2019-20 budget, but does include \$500,000 for interim financing for anticipated school bond issuance
- Education debt payment decreases by \$5.2 million to \$76.8 million
- Other county debt repayment decreases by \$113,000 to \$13.9 million



GENERAL FUND: Capital Investment Transfer

- Budget pauses annual cash transfer from the General Fund to the County Building Construction Fund for the Capital Investment Plan, a reduction of \$1,011,000 from the prior year.
- Additional funds will be needed in future years to implement the recommended Capital Investment Plan without additional debt.

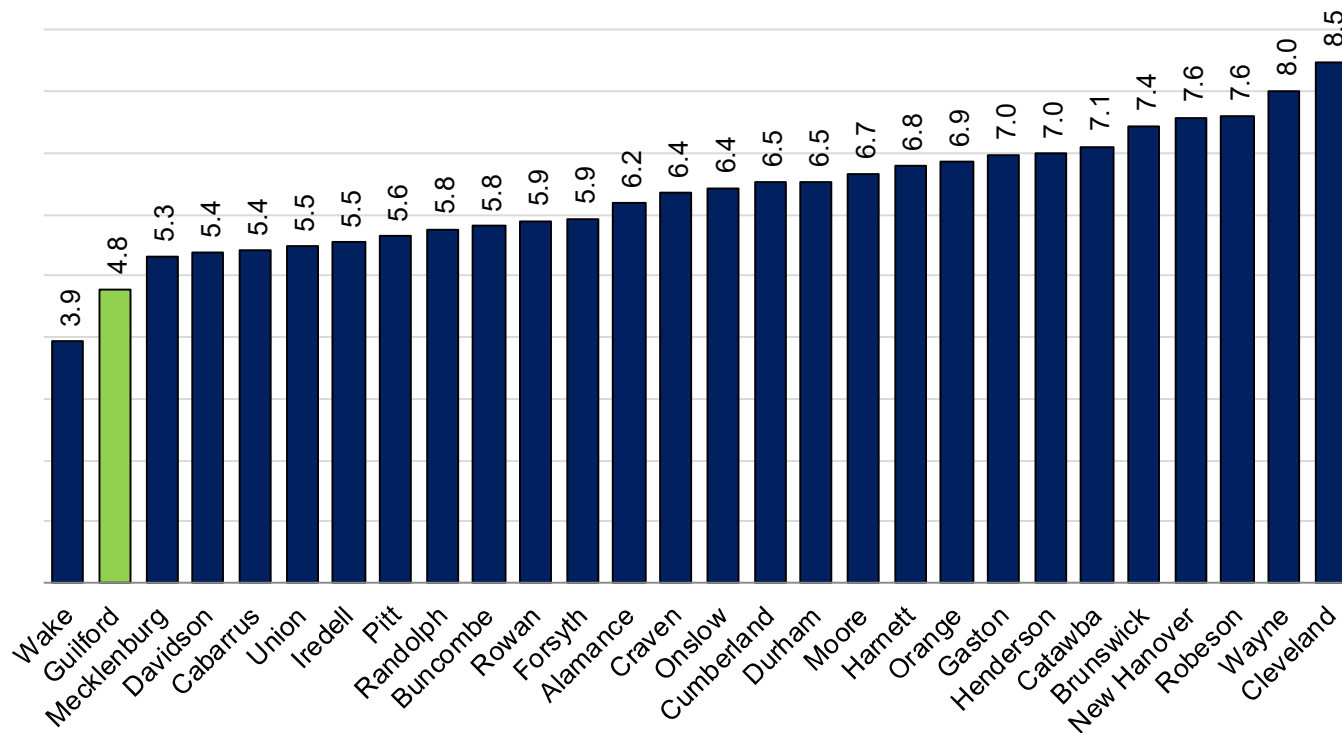
EMPLOYEES: New Positions

- Eight new positions are recommended:
 - Information Services - 1 IT Security Manager (\$97,500)
 - Public Health - 1 Infant Mortality Coordinator (\$56,000, starting in September 2020)
 - Mental Health - 1 Mental Health Center Director (\$114,200, starting in mid-September 2020) and 5 Deputy Sheriffs (\$114,000 starting in February 2021)

Note: 55 positions were requested to address demand and service needs in a variety of departments.

EMPLOYEES: County Positions per Resident

Positions per 1,000 Residents
Counties > 100,000 Residents



FY 2019-20 NCACC Budget & Tax Survey

EMPLOYEES: Merit Pool & Pay Plan Adjustments

- Includes Merit Pay Pool equal to 3% of salaries and benefits. Individual employee increase may be more or less than 3%, depending on performance evaluation score. Merits to be applied on same date in January for all employees.
 - First year net cost = \$1.85 million
(\$2.25 million less reimbursements & vacancies)
 - Full year net cost = \$4.1 million
(\$5.2 million less reimbursements & vacancies)
- Budget pauses implementation of Phase 2 of the market compensation study recommendations (-\$2.5 million)



FIRE DISTRICT FUNDS

- Total fire district budgets will decrease by \$850,000 from \$20.8 million to \$19.9 million:
 - Property Tax = \$16.23 million (-\$347,000)
 - Sales Tax = \$2.9 million (-\$909,000)
 - Fund Balance = \$774,300 (-\$541,900)
- Four districts requested property tax increases but no increases are included in the recommended budget



ROOM OCCUPANCY & TOURISM FUND

- Accounts for the collection and payment of occupancy taxes levied in the county to the Greensboro/Guilford County Tourism Development Authority and the City of High Point. Proceeds of the occupancy taxes are used to promote activities and programs which encourage travel and tourism to the area.
- \$7.5 million budget – no change from current year



GENERAL FUND: Org. Excellence – Internal Service Fund

- Accounts for the county's insurance programs, including liability, workers' compensation, and employee health insurance. A financial plan is approved each year.
- Budget is \$54.5 million, a \$12.2 million increase from prior year
 - Risk Management = \$2.7 million (+\$223,000)
 - Healthcare = \$51.8 million (+12.0 million)
- County cost for insurance increased \$11.1 million and employee share increases will be necessary in new plan year reflecting plan costs.

BUDGET SUMMARY: FY 2020-21 Recommended Budget

- **For the citizens, the recommended budget does:**

- Maintain the property tax rate
- Maintain the level of services provided to residents

- **For the county, the recommended budget does:**



- Maintain funding levels for Education



- Add 8 positions to accomplish the Board's identified priorities for Health People (Mental Health, Infant Mortality) and Infrastructure (IT & Data Security)



- Retain all existing positions and employees
- Include a 3% merit pool for employees

- **For the county, the recommended budget also:**



- Pauses the annual transfer for capital investment



- Postpones Phase 2 of the market pay plan implementation



- Reduces funding for vehicle replacement and facility maintenance

BUDGET SUMMARY: Future Opportunities & Challenges

- Growth in major revenue sources?
 - Real property increased, but at rate less than long-term average
 - Any additional impacts to economy such as future COVID recurrences will further reduce sales tax revenues
- Education funding needs
 - GCS requested an increase of \$21.5M
 - GTCC requested an increase of \$2.05M
 - County has obligation to support facilities
- Protect County's financial position
 - County operating at a deficit since FY 2017-18 – recurring revenues did not cover recurring expenses. Deficits are not sustainable.
 - Need to maintain healthy fund balance levels
 - Cash vs. debt for future capital needs

BUDGET WORK SESSIONS & PUBLIC HEARING

- June 4 - Public Hearing on the FY 2020-21 Recommended Budget
- To be scheduled – Board Work Sessions to Review Recommended Budget

The recommended budget is available on the Guilford County website at:

<https://www.guilfordcountync.gov/our-county/budget-management-evaluation>